GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

STARRED QUESTION NO:167
ANSWERED ON:05.05.2016
Technology Upgradation Fund Scheme
Patil Shri A.T. (Nana)

Will the Minister of TEXTILES be pleased to state:

(a) whether the textile sector is keen to assimilate the new technologies, if so, the status of induction of new technologies in the sector;

(b) whether the Government has revised the Technology Upgradation Fund Scheme, if so, the new features thereof ; and

(c) the steps taken/being taken by the Government to provide capital subsidy to new and existing textile units to enable them to bring in modern machinery and increase their output?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE)
IN THE MINISTRY OF TEXTILES
(SHRI SANTOSH KUMAR GANGWAR)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO. *167 FOR 05.05.2016 REGARDING TECHNOLOGY UPGRADATION FUND SCHEME ASKED BY SHRI A.T. NANA PATIL, M.P.

(a): Yes, Madam. A credit linked Technology Upgradation Fund Scheme (TUFS) introduced in 1999 has catalysed capital investments for technology upgradation and modernization of the textiles industry by providing specified interest reimbursement and capital subsidy. Investment of Rs. 2,71,480 crore has been leveraged and an amount of Rs. 22013.09 crore has been released as subsidy under TUFS for technology upgradation since its inception. The major machinery installed under TUFS is listed at Annexure-1.

(b): An "Amended Technology Upgradation Fund Scheme (A-TUFS)" in place of the existing Revised Restructured Technology Upgradation Fund Scheme (RRTUFS) for technology upgradation of the textiles industry has been introduced which has become effective from 13.01.2016. The salient features of the scheme are given below:-

(i) The scheme is for a period of seven years from 13.01.2016 to 2021-22.
(ii) The scheme will be bank credit linked with emphasis on promotion of exports, import substitution and generation of employment.
(iii) It provides for one time capital subsidy for eligible machinery.
(iv) An allocation of Rs. 17,822 crore has been approved for seven years to meet the committed liabilities of Rs.12,671 crore and Rs.5151 crore for new cases under ATUFS.
(v) The rates of subsidy and caps for different segments under ATUFS is given below:-

Sl. No. Segment Rate of Capital Investment Subsidy (CIS) CIS per individual entity

1. Garmenting, Technical Textiles 15% on eligible Machines Rs. 30 crore*
2. Weaving for brand new Shuttle-less Looms (including weaving preparatory and knitting), Processing, Jute, Silk and Handloom. 10% on eligible Machines Rs. 20 crore*
3 (a)

Composite unit /Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is more than 50% of the eligible project cost.
15% on eligible Machines

Rs. 30 crore*

3(b) Composite unit/Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is less than 50%. 10% on eligible Machines Rs. 20 crore*
*In case the applicant had availed subsidy earlier under RRTUFS, he will be eligible for only the balance amount within the overall ceiling fixed for an individual entity. The maximum subsidy for overall investment by an individual entity under ATUFS will be restricted as indicated above for respective segments.

(c): Guidelines of ATUFS have been issued on 29.02.2016 which lays down the financial & operational parameters and implementation mechanism. A web based claims monitoring and tracking mechanism, "i-ATUFS" has been made operational with effect from 21st April, 2016 for online implementation and monitoring of A-TUFS which provides a transparent MIS platform to all the stakeholders, the beneficiaries, banks, Office of Textile Commissioner and the Ministry of Textiles for smooth implementation of the scheme. Based on the claims received from the Banks, subsidy is released to the beneficiaries subject to availability of funds. A total of 735 applications have been uploaded online on iATUFS since 13.01.2016.